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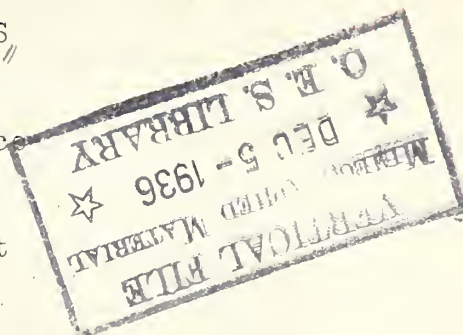


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FOOD BUDGET ADJUSTMENTS IN DROUGHT AREAS

Presented at the
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In 1936, as in previous years, farm families laid plans for raising a large part of the food needed to provide for the good nutrition of their families until the growing season of 1937. Extension workers assert that this was done by more farm families than in 1935, when reports showed that more than 209,000 families produced and preserved a home food supply according to an annual food-supply budget. As another influence toward planning the food supply, we note that approximately 228,000 farm families had by July 1, 1936, received standard loans from the Resettlement Administration. Most of these families were helped to make farm and home plans, with emphasis on home food production.

The widespread drought of 1936, however, played havoc with such plans in many States.

Extent of the drought.

By September 15, 1,132 counties in 24 States were included in the emergency drought area, and 54 counties have since been added. Weather Bureau maps showing precipitation between May and October 1936, indicate: 1) Normal or better than normal rainfall west of the Rocky Mountains during spring and summer, but extremely dry weather during September and October; 2) mild summer drought in sections of the North Atlantic States; 3) serious drought broken in late July and August in the South Atlantic States of Virginia, North Carolina, South Carolina, and Georgia; 4) a bad strip bordering the Ohio River including southern Illinois, Indiana, and Ohio, and almost all of Kentucky; 5) serious drought between the Mississippi River and the Great Plains, extending from Canada into Oklahoma and north Texas and including western Illinois; and 6) devastating drought still practically unbroken, from the Great Plains westward to the main chain of the Rockies, including the Dakotas and eastern Montana, most of Nebraska, western Kansas, and western Oklahoma. There is a comparatively small farm population in this area. In areas 5 and 6, and in other scattered localities, grasshoppers completed the ruin begun by the drought.

The most serious drought damage was to grain crops, pastures, home gardens, market gardens, and canning crops. Secondary effects, due to feed shortage, were registered in lowered milk production and hence in butterfat output per cow; in the leanness and poor quality of beeves and swine held over for home butchering; and in egg production per hen. Probably the full effect on meat production will be felt next fall rather than now.

Adjustments in food budgets will vary with farm-family income, home food supply, retail food prices, and demands on the budget for needs other than food; but most of all, perhaps, on the family's appreciation of the relationship between adequate diet and health.

Effect of the drought on farm incomes.

The main sources of agricultural income in the eight States represented are grain, livestock, and livestock products. This farm income was supplemented by payments received for cooperation in agricultural-adjustment and soil-conservation programs. Figures on average income tend to obscure the wide variations for localities and for individual families. Farmers in drought areas who have crops or livestock products to sell will get good prices, but the incomes of many will be low or entirely lacking. There is wide variation within some States, sometimes even in the same county, due not only to rainfall, but partly at least to differences in quality of soil or to the treatment it has received. Except in the western Great Plains the rains of August and September have improved pastures and forage crops and thus set free more cash than was anticipated for family living, but in the Great Plains area incomes are meager or lacking, except for Government checks. Many families have obtained loans for livestock feed, and the rehabilitation and relief load is very high in this area. In the worst drought areas many families are already on W. P. A. wages or subsistence grants made by the Resettlement Administration, and a considerable increase in such grants is anticipated up to next March. It is anticipated that subsistence allowances for food will be based, insofar as funds permit, on a restricted emergency diet.

Home-produced food supply.

Due to the severe winter and late spring frosts, 1936 saw a shortage of apples, peaches, grapes, and even wild berries, and home-canned and stored fruit is very scarce. Drought took early gardens, so very few vegetables were canned during the summer. Root vegetables including potatoes are scarce and of poor quality for storage. Fortunately late rains and, except in the North, the delay of frosts prolonged the growing season and improved beyond expectation the quality and yields of tomatoes, green beans, late potatoes, and some other vegetables, so that most of the canning was done in September and October. Many families will have to purchase in order to reach even a restricted emergency^{1/} level in this food group. However it is probable that in home-produced animal foods--milk, beef or pork, poultry and eggs, and fats--most families can reach at least a minimum adequate standard,^{2/} except in the western Great Plains. Low prices for poultry have led to severe culling of home flocks and extensive poultry canning. In grain-producing areas there will probably be enough locally produced grain available for home use.

The food shortage is most severe in the Great Plains area.

^{1/} See Diets to Fit the Family Income, Farmers' Bull. 1757, page 36.

^{2/} Ibid., page 34.

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Surplus commodities.

Surplus commodities likely to be available for distribution in 1937 include citrus fruits, dried prunes, and onions. Surpluses in other food products are not anticipated, except in limited localities.

Retail food prices.

The total supply of food available in the United States for human consumption in 1936-37, though unevenly distributed because of the drought, is about 97 percent of the food supply for 1935-36, so there is no shortage of food in the country as a whole. Retail prices, therefore, are not expected to get too far out of bounds. A detailed price forecast for some of the more commonly used agricultural products will be found on page 5.

Prices of fishery products will probably be reasonable, since the 1936 pack of Alaska salmon is the largest in history, with the pack of pink salmon predominating. Recently introduced fishery products such as Pacific mackerel, Pacific sardines, tunalike fishes, and frozen fish and fish fillets from the Atlantic coast will probably be available at reasonable prices. The following table illustrates the advances in cost of "all foods" between the year 1934 and September 1936:

Approximate advances in cost per week of four diets for a family of 4 persons (2 moderately active adults, boy 10, girl 8), from year 1934 to September 1936

Item	Restricted	Minimum adequate	Moderately adequate	Liberal
	Dollars	Dollars	Dollars	Dollars
Average prices for: 1934...	5.70	8.45	11.85	15.30
1935...	6.15	9.15	12.25	16.25
September 1936 prices.....	6.30	9.40	13.10	17.20
	dol- per-	dol- per-	dol- per-	dol- per-
	lars cent	lars cent	lars cent	lars cent
Increase of Sept. 1936 prices over:				
Average 1934 prices....	.60 10.5	.95 11.2	1.25 10.5	1.90 12.4
Average 1935 prices....	.15 2.4	.25 2.7	.85 6.9	.95 5.8

The retail prices of all foods declined 1.8 percent between September 15 and October 13, 1936, as a result of price rises in some foods and price decreases in others.

Adjustments in food budgets.

Most States in the drought area have held up a moderate-cost adequate diet as a standard for the home-food supply and counted on producing a very large part of it. North and South Dakota and some other States

severely stricken by drought in 1934 temporarily adopted the minimum-adequate diet as a standard. Since in many drought areas in 1936-37 families will not be able to reach even the restricted level in fruits and vegetables except by cash purchases, especially of potatoes, tomatoes, or citrus fruits, and cabbage, it will be important to emphasize the protective values of these foods so that families will budget money for them and not reduce consumption below safe limits. However, many low-income farm families can and will improve their diets by increasing the amounts of home-produced animal foods, including home-canned poultry; and by using cracked wheat, whole-grain flours, and quick-cooking, palatable varieties of commercial soybeans, and, in the spring, available wild greens.

Pooling orders and cooperative purchasing; making low-cost foods available.

Pooling of orders and cooperative purchasing are important to obtain price concessions. In some areas, notably the western Great Plains, county and State officials and producers' and distributors' organizations may need to cooperate to insure the availability of needed low-cost foods (potatoes, cabbage, canned tomatoes especially in No. 10 tins, root vegetables, dried beans, dried fruits, citrus fruits, cracked wheat, whole-grain flours, edible varieties of soybeans, and the cheaper forms of fish, meats, fats and milk) in the smaller buying centers at the time when grants are received. It will also be desirable to make available an edible quality of wheat germ sufficiently refined from the usual bran and shorts to be suitable for mixing with white flour for quick and yeast breads.

Buying economies.

Low income families in areas most severely affected by drought will probably need to buy most of their food; and if they are to get even the minimum essentials of nutrition on the cash allowances available, they will need to:

1. Make monthly food budgets and weekly marketing lists.
2. Buy skillfully.
3. Plan meals carefully.
4. Conserve food values in cooking.

Other families in drought areas will need to exercise great care along these same lines. Since the man of the family and the children often do much of the food buying, these family members as well as the homemaker need training in food buying.

Planning for 1937.

Even while making necessary adjustments of the food budget in winter and early spring, farm families should plan for raising a more abundant diet in 1937-38. While recovering from the financial effects of the drought it may prove practical to base such plans on the minimum-cost adequate diet, but to build up each food group toward the moderate-cost adequate standard wherever a well planned home-production program permits.

ESTIMATED RETAIL PRICE MOVEMENTS OF SPECIFIED COMMODITIES^{3/}
From November 15, 1936 Through the First Half of 1937

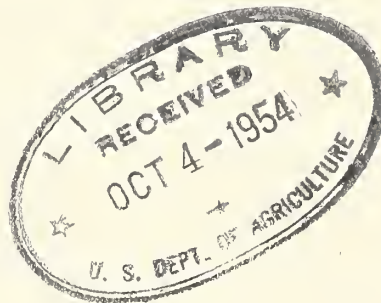
The following estimates of price movements of specified commodities from their present levels (November 15, 1936) through the first half of 1937, are appended in order to bring price forecasts as nearly as possible down to date.

Please note that these statements are based on the November 1936 price level, and that they differ in some respects from the forecast of price trends found on page 6 of the 1937 Outlook Report for Farm Family Living. The two forecasts are not in conflict, however, because the Outlook forecast is based on comparisons of probable 1937 price trends with price trends in corresponding periods of 1936, whereas the forecast on this page is based on November 1936 prices. For the same reason, price forecasts in the mimeographed paper called "The per-capita food supply available for consumption in the United States in 1936-37, as compared with the food supply available in previous periods, and trends in food prices", prepared for distribution at the two Interstate Drought Conferences in early October, present apparent but not actual discrepancies when compared with the price-trend forecasts in the 1937 Outlook Report.

1. Meat: Prices will probably experience steady rise at least through the first half of 1937 and possibly throughout entire year.
2. Eggs: Prices will probably reach peak in November or early December, and then experience seasonal decline until late spring or early summer.
3. Butter and Cheese: Prices will reach peak in January or February and will then probably experience seasonal decline.
4. Potatoes: Fall potato prices will probably show steady rise until March, and then experience seasonal decline. Early potato prices will probably be lower than those of last year.
5. Canned vegetables: Prices will probably reach peak in November or December, and prices during first half of 1937 will likely hold at that level.
6. Fresh market vegetables: Prices will probably rise slightly during early winter, and then decline with movement of spring crops.
7. Apples: Prices will probably show steady rise from present levels until end of marketing season--May or June.

^{3/} Prepared by the Division of Statistical and Historical Research, Bureau of Agricultural Economics, U. S. Department of Agriculture.,

8. Citrus fruits: Prices will probably decline from present levels until late February, and then may level out or show some seasonal rise.
9. Canned fruits: Prices will probably hold near present levels or rise slightly during first half of 1937.
10. Dried fruit: Prices will probably show some rise during at least the first half of 1937.
11. Flour: Prices will probably remain near present levels during first half of 1937.



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